

HOUSE BILL No. 1902

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33; IC 36-7.

Synopsis: French Lick and West Baden Springs riverboat. Authorizes a riverboat casino for a historic district located in French Lick and West Baden Springs using the riverboat license formerly designated for Patoka Lake. Provides for the ownership and management of the riverboat. Provides for the distribution of tax revenue remitted by the riverboat.

Effective: July 1, 2003.

Denbo, Saunders, Stilwell, Hinkle

January 23, 2003, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

C
o
p
y



First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1902

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2003]: Sec. 1. This article applies only to the
following:

- (1) Counties contiguous to Lake Michigan.
- (2) Counties contiguous to the Ohio River.
- ~~(3) Counties contiguous to Patoka Lake.~~
- (3) A historic district that:**
 - (A) is established under IC 36-7-11;**
 - (B) is located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000); and**
 - (C) consists solely of the real property owned by the historic resort hotels located in:**
 - (i) a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200); and**
 - (ii) a town having a population of less than one thousand**



1 **five hundred (1,500).**

2 SECTION 2. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE
3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2003]: **Sec. 11.5. "Historic resort hotel" means a structure**
5 **originally built as a hotel that contained at least three hundred**
6 **(300) sleeping rooms on or before January 1, 1930.**

7 SECTION 3. IC 4-33-2-13.5 IS ADDED TO THE INDIANA CODE
8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
9 1, 2003]: **Sec. 13.5. "Licensed operating agent" means a person**
10 **licensed under IC 4-33-6.5 to operate a riverboat in a historic**
11 **district described in IC 4-33-1-1(3) on behalf of the district's**
12 **historic preservation commission.**

13 SECTION 4. IC 4-33-2-14.5 IS ADDED TO THE INDIANA CODE
14 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2003]: **Sec. 14.5. "Operating agent's license" means a license**
16 **issued under IC 4-33-6.5 that allows a person to operate a**
17 **riverboat in a historic district described in IC 4-33-1-1(3) on behalf**
18 **of the district's historic preservation commission.**

19 SECTION 5. IC 4-33-2-16 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16. "Person" means an**
21 **individual, a sole proprietorship, a partnership, an association, a**
22 **fiduciary, a corporation, a limited liability company, a historic district,**
23 **or any other business entity.**

24 SECTION 6. IC 4-33-2-17 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 17. "Riverboat" means**
26 **either of the following on which lawful gambling is authorized**
27 **under this article:**

28 **(1) A self-propelled ~~excursion~~ boat located in a county described**
29 **in ~~IC 4-33-1-1~~ on which lawful gambling is authorized and**
30 **licensed under this article: IC 4-33-1-1(1) or IC 4-33-1-1(2) that**
31 **complies with IC 4-33-6-6(a).**

32 **(2) A vessel located in a historic district described in**
33 **IC 4-33-1-1(3).**

34 SECTION 7. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2003]: **Sec. 2. The commission shall adopt rules**
36 **under IC 4-22-2 for the following purposes:**

37 **(1) Administering this article.**

38 **(2) Establishing the conditions under which riverboat gambling**
39 **in Indiana may be conducted.**

40 **(3) Providing for the prevention of practices detrimental to the**
41 **public interest and providing for the best interests of riverboat**
42 **gambling.**



C
o
p
y

(4) With respect to riverboats that operate on Patoka Lake, ensuring:

(A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and

(B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.

(5) (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.

(6) (5) Imposing penalties for noncriminal violations of this article.

(6) Establishing ethical standards regulating the conduct of members of a historic preservation commission established under IC 36-7-11-4.5 with regard to the selection and licensure of an operating agent to operate a riverboat in a historic district described in IC 4-33-1-1(3).

SECTION 8. IC 4-33-4-3, AS AMENDED BY P.L.14-2000, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The commission shall do the following:

(1) Adopt rules that the commission determines necessary to protect or enhance the following:

(A) The credibility and integrity of gambling operations authorized by this article.

(B) The regulatory process provided in this article.

~~(C) The natural environment and scenic beauty of Patoka Lake.~~

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees and taxes imposed under this article.

(4) Deposit the license fees and taxes in the state gaming fund established by IC 4-33-13.

(5) Levy and collect penalties for noncriminal violations of this article.

(6) Deposit the penalties in the state gaming fund established by IC 4-33-13.

(7) Be present through the commission's inspectors and agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that

C
o
p
y



the commission considers necessary and proper.

~~(D) With respect to riverboats that operate on Patoka Lake, ensure compliance with the following:~~

~~(i) IC 14-26-2-6.~~

~~(ii) IC 14-26-2-7.~~

~~(iii) IC 14-28-1.~~

(8) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

SECTION 9. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) **This section does not apply to a riverboat located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

(b) After consulting with the United States Army Corps of Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

~~(b)~~ (c) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

C
o
p
y



SECTION 10. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 11. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The commission may issue to a person a license to own one (1) riverboat subject to the numerical and geographical limitation of owner's licenses under this section, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

~~(6) One (1) license for a riverboat that operates upon Patoka Lake from a county in a historic district described under IC 4-33-1-1(3).~~

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

C
O
P
Y



(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 12. IC 4-33-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee. **However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this subsection.**

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for an owner's license under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the owner's license.

(d) The costs of investigating an applicant for an owner's license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for an owner's license under this chapter must pay all additional costs that are:

(1) associated with the investigation of the applicant; and

(2) greater than the amount of the application fee paid by the applicant.

(f) The commission shall recoup all the costs associated with investigating or reinvestigating an applicant that is a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation commission's licensed operating agent.

SECTION 13. IC 4-33-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. **(a) This section does not apply to a riverboat located in a historic district described in IC 4-33-1-1(3).**

(b) In an application for an owner's license, the applicant must state the dock at which the riverboat is based and the navigable waterway on which the riverboat will operate.

SECTION 14. IC 4-33-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2)

C
o
p
y



must:

(1) have a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; and

(2) be at least one hundred fifty (150) feet in length.

(b) A riverboat that operates ~~on Patoka Lake~~ **in a historic district described under IC 4-33-1-1(3)** must:

(1) have the capacity to carry at least five hundred (500) passengers;

(2) be at least one hundred fifty (150) feet in length; and

(3) meet safety standards required by the commission.

(c) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 15. IC 4-33-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. If the commission determines that a person is eligible under this chapter for an owner's license, the commission may issue an owner's license to the person if:

(1) the person pays an initial license fee of twenty-five thousand dollars (\$25,000); and

(2) the person posts a bond as required in section 9 of this chapter.

However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this section.

SECTION 16. IC 4-33-6-9, AS AMENDED BY P.L.192-2002(ss), SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) **Except as provided in subsection (l)**, a licensed owner must post a bond with the commission at least sixty (60) days before the commencement of gambling on the riverboat.

(b) The bond shall be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.



C
o
p
y

(d) The bond:

- (1) is subject to the approval of the commission;
- (2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and
- (3) must be payable to the commission as obligee for use in payment of the licensed owner's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed owner's bond is insufficient, the licensed owner shall upon written demand of the commission file a new bond.

(f) The commission may require a licensed owner to file a new bond with a satisfactory surety in the same form and amount if:

- (1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or
- (2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the owner's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed owner remains at the site for which the owner's license is granted for the lesser of:

- (1) five (5) years; or
- (2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

C
o
p
y



(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

(l) The historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to post the bond required under this section.

SECTION 17. IC 4-33-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) Unless the owner's license is terminated, expires, or is revoked, the owner's license may be renewed annually upon:

(1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and

(2) a determination by the commission that the licensee satisfies the conditions of this article.

However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this section.

(b) A licensed owner shall undergo a complete investigation every three (3) years to determine that the licensed owner remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate a licensed owner at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The licensed owner shall bear the cost of an investigation or reinvestigation of the licensed owner and any investigation resulting from a potential transfer of ownership.

(e) The commission shall recoup all the costs associated with investigating or reinvestigating a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation commission's licensed operating agent.

SECTION 18. IC 4-33-6-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. (a) This section applies to:

(1) a county contiguous to the Ohio River;

~~(2) a county contiguous to Patoka Lake; and~~

~~(3)~~ **(2)** a county contiguous to Lake Michigan that has a population of less than four hundred thousand (400,000).

(b) Notwithstanding any other provision of this article, the commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of the county have approved the conducting of gambling games on riverboats in the county.

C
o
p
y



(c) If the docking of a riverboat in the county is approved by an ordinance adopted under section 18 of this chapter, or if at least the number of the registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the county during the next general election:

"Shall licenses be issued to permit riverboat gambling in ____ County?"

(d) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9 and must be certified in accordance with IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a county and the voters of the county do not vote in favor of permitting riverboat gambling under this article, a second public question under this section may not be held in that county for at least two (2) years. If the voters of the county vote to reject riverboat gambling a second time, a third or subsequent public question under this section may not be held in that county until the general election held during the tenth year following the year that the previous public question was placed on the ballot.

SECTION 19. IC 4-33-6-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 19.5. (a) This section applies to a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

(b) The commission may issue only one (1) license under this article to allow a riverboat to operate in the county within a historic district established under IC 36-7-11.

(c) The commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of:

(1) a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200) located in the county; and

(2) a town having a population of less than one thousand five hundred (1,500) located in the county;

have approved gambling on riverboats in the county.

(d) If at least the number of registered voters of the town

C
o
p
y



required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the clerk of the circuit court requesting that a local public question concerning riverboat gambling be placed on the ballot, the county election board shall place the following question on the ballot in the town described in subsection (c) during the next primary or general election or a special election held under this section:

"Shall a license be issued to allow riverboat gambling in the town of _____?"

(e) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9.

(f) If a public question is placed on the ballot under this section and the voters of the town do not vote in favor of allowing riverboat gambling under IC 4-33, another public question regarding riverboat gambling may not be held in the town for at least two (2) years.

(g) In a special election held under this section:

(1) IC 3 applies, except as otherwise provided in this section; and

(2) at least as many precinct polling places as were used in the towns described in subsection (c) during the most recent municipal election must be used for the special election.

(h) The clerk of the circuit court of a county holding an election under this section shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

SECTION 20. IC 4-33-6.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 6.5. Riverboat Operating Agent's License

Sec. 1. This chapter applies only to a riverboat operated under a license described in IC 4-33-6-1(a)(6).

Sec. 2. (a) A person applying for an operating agent's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee.

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for a license

C
o
p
y



under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the license.

(d) The costs of investigating an applicant for a license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for a license under this chapter must pay all additional costs that are:

- (1) associated with the investigation of the applicant; and
- (2) greater than the amount of the application fee paid by the applicant.

Sec. 3. The commission may not issue an operating agent's license under this chapter to a person if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
 - (A) is described in subdivision (1), (2), or (3); and
 - (B) participates in the management or operation of gambling operations authorized under this article;
- (6) the person owns an ownership interest of more ten percent (10%) in another person holding an owner's license issued under this article; or
- (7) a license issued to the person:
 - (A) under this article; or
 - (B) to own or operate gambling facilities in another jurisdiction;
 has been revoked.

Sec. 4. In determining whether to grant an operating agent's license to an applicant, the commission shall consider the following:

- (1) The character, reputation, experience, and financial integrity of the following:
 - (A) The applicant.
 - (B) A person that:
 - (i) directly or indirectly controls the applicant; or
 - (ii) is directly or indirectly controlled by the applicant or



C
O
P
Y

by a person that directly or indirectly controls the applicant.

(2) The facilities or proposed facilities for the conduct of riverboat gambling in a historic district described in IC 4-33-1-1(3).

(3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.

(4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.

(5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.

(6) If the applicant has adequate capitalization to operate a riverboat for the duration of the license.

(7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

Sec. 5. If the commission determines that a person is eligible under this chapter for an operating agent's license, the commission may issue an operating agent's license to the person if:

(1) the person pays an initial license fee of twenty-five thousand dollars (\$25,000); and

(2) the person posts a bond as required in section 6 of this chapter.

Sec. 6. (a) A licensed operating agent must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat operations in the historic district described in IC 4-33-1-1(3).

(b) The bond shall be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.

(d) The bond:

(1) is subject to the approval of the commission; and

(2) must be payable to the commission as obligee for use in payment of the riverboat's financial obligations to the local

C
o
p
y



community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed operating agent's bond is insufficient, the operating agent shall, upon written demand of the commission, file a new bond.

(f) The commission may require a licensed operating agent to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the operating agent's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed operating agent remains at the site of the riverboat operating within a historic district:

(1) for five (5) years; or

(2) until the date the commission grants a license to another operating agent to operate from the site for which the bond was posted;

whichever occurs first.

(i) An operating agent who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may not be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time specified under subsection (h); and

(2) a written request is submitted by the operating agent.

Sec. 7. (a) Unless the operating agent's license is terminated, expires, or is revoked, the operating agent's license may be



C
O
P
Y

renewed annually upon:

(1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and

(2) a determination by the commission that the licensee satisfies the conditions of this article.

(b) An operating agent shall undergo a complete investigation every three (3) years to ensure that the operating agent remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate an operating agent at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The operating agent shall bear the cost of an investigation or a reinvestigation of the operating agent.

Sec. 8. A license issued under this chapter permits the holder to operate a riverboat on behalf of the licensed owner of the riverboat.

Sec. 9. An operating agent licensed under this chapter is charged with all the duties imposed upon a licensed owner under this article, including the collection and remission of taxes under IC 4-33-12 and IC 4-33-13.

SECTION 21. IC 4-33-10-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) This section applies only to property given after June 30, 1996.

(b) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(c) As used in this section, "license" means:

(1) an owner's license issued under this article; or

(2) a supplier's license issued under this article to a supplier of gaming supplies or equipment, including electronic gaming equipment.

(d) As used in this section, "licensee" means a person who holds a license.

(e) As used in this section, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

(f) For purposes of this section, a person is considered to have an interest in a licensee if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the

C
o
p
y



licensee.

(2) The person is an officer of the licensee.

(3) The person is an officer of a person that holds at least a one percent (1%) interest in the licensee.

(4) The person is a political action committee of the licensee.

(g) A licensee or a person with an interest in a licensee may not give any property (as defined in IC 35-41-1-23) to a member of a precinct committee to induce the member of the precinct committee to do any act or refrain from doing any act with respect to the approval of a local public question under IC 4-33-6-19 **or IC 4-33-6-19.5.**

(h) A person who knowingly or intentionally violates this section commits a Class D felony.

SECTION 22. IC 4-33-12-6, AS AMENDED BY P.L.192-2002(ss), SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

C
o
p
y



(A) embarking on a gambling excursion during the quarter; or
 (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or
 (B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or
 (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat ~~that operates on Patoka Lake~~, **located in a historic district described in IC 4-33-1-1(3)**, the treasurer of state shall quarterly pay the following

C
o
p
y



amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling):

This amount shall be divided equally among the counties described in IC 4-33-1-1(3):

(2) The Patoka Lake development account established under IC 4-33-1-5 shall receive one dollar (\$1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling):

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on a gambling excursion during the quarter or admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling):

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling):

(5) The division of mental health and addiction shall receive ten cents (\$0.10) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling):

The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling:

(1) Twenty-five percent (25%) of the admissions tax collected by the licensed owner for each person admitted to the riverboat during the quarter shall be paid to the property tax replacement fund.

(2) Twenty-four percent (24%) of the admissions tax collected by the licensed owner for each person admitted to the riverboat during the quarter shall be paid to the historic district in which the riverboat is located.



1 (3) Nine percent (9%) of the admissions tax collected by the
 2 licensed owner for each person admitted to the riverboat
 3 during the quarter shall be paid to the county in which the
 4 riverboat is located.

5 (4) Eight percent (8%) of the admissions tax collected by the
 6 licensed owner for each person admitted to the riverboat
 7 during the quarter shall be paid in equal amounts to:

8 (A) a town having a population of more than two thousand
 9 two hundred (2,200) but less than three thousand five
 10 hundred (3,500) located in a county having a population of
 11 more than nineteen thousand three hundred (19,300) but
 12 less than twenty thousand (20,000); and

13 (B) a town having a population of more than three
 14 thousand five hundred (3,500) located in a county having
 15 a population of more than nineteen thousand three
 16 hundred (19,300) but less than twenty thousand (20,000).

17 (5) Seven percent (7%) of the admissions tax collected by the
 18 licensed owner for each person admitted to the riverboat
 19 during the quarter shall be paid in equal amounts to the
 20 school corporations located in a county having a population
 21 of more than nineteen thousand three hundred (19,300) but
 22 less than twenty thousand (20,000).

23 (6) Six percent (6%) of the admissions tax collected by the
 24 licensed owner for each person admitted to the riverboat
 25 during the quarter shall be paid to a town having a population
 26 of more than one thousand five hundred (1,500) but less than
 27 two thousand two hundred (2,200) located in a county having
 28 a population of more than nineteen thousand three hundred
 29 (19,300) but less than twenty thousand (20,000).

30 (7) Six percent (6%) of the admissions tax collected by the
 31 licensed owner for each person admitted to the riverboat
 32 during the quarter shall be paid to a town having a population
 33 of less than one thousand five hundred (1,500) located in a
 34 county having a population of more than nineteen thousand
 35 three hundred (19,300) but less than twenty thousand
 36 (20,000).

37 (8) Four percent (4%) of the admissions tax collected by the
 38 licensed owner for each person admitted to the riverboat
 39 during the quarter shall be paid to a county having a
 40 population of more than ten thousand seven hundred (10,700)
 41 but less than twelve thousand (12,000).

42 (9) Four percent (4%) of the admissions tax collected by the

C
o
p
y



licensed owner for each person admitted to the riverboat during the quarter shall be paid to a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000).

(10) Three percent (3%) of the admissions tax collected by the licensed owner for each person admitted to the riverboat during a quarter shall be paid to the tourism commission of a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(11) Three percent (3%) of the admissions tax collected by the licensed owner for each person admitted to the riverboat during a quarter shall be paid to the tourism commission of a town having a population of less than one thousand five hundred (1,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(12) One percent (1%) of the admissions tax collected by the licensed owner for each person admitted to the riverboat during the quarter shall be paid to the county described in subdivision (3) to be distributed as provided in subsection (l).

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

C
o
p
y



(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made

C
o
p
y



for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), ~~(c)(1)~~ **(c)(3) through (c)(9)**, or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 **or IC 6-1.1-19**, but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) ~~(c)(5)~~, and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

C
o
p
y



(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) **This subsection does not apply to an entity receiving money under subsection (c).** For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under ~~IC 4-33-13-5(f)~~ **IC 4-33-13-5(g)**.

(k) **This subsection does not apply to an entity receiving money under subsection (c).** For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) exceed a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section; to the property tax replacement fund instead of to the entity.

(l) **The county treasurer of the county described in subsection (c)(12) shall set aside the admissions tax revenue paid to the county under subsection (c)(12) in a separate account. Money in the account must be used to provide grants to governmental entities other than the county and the towns described in subsection (c).**

C
o
p
y



1 **The fiscal bodies of the county and the towns shall act in concert to**
 2 **select qualified recipients of grants from the account. The fiscal**
 3 **body of the county may not appropriate money from the account**
 4 **to make a grant under this subsection unless the fiscal bodies of the**
 5 **towns have adopted resolutions approving the recipient and the**
 6 **amount of the grant.**

7 SECTION 23. IC 4-33-13-5, AS AMENDED BY P.L.192-2002(ss),
 8 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2003]: Sec. 5. (a) **This subsection does not apply to tax**
 10 **revenue remitted by a licensed owner operating a riverboat in a**
 11 **historic district described in IC 4-33-1-1(3).** After funds are
 12 appropriated under section 4 of this chapter, each month the treasurer
 13 of state shall distribute the tax revenue deposited in the state gaming
 14 fund under this chapter to the following:

15 (1) The first thirty-three million dollars (\$33,000,000) of tax
 16 revenues collected under this chapter shall be set aside for
 17 revenue sharing under subsection ~~(d)~~: **(e).**

18 (2) Subject to subsection ~~(b)~~; **(c)**, twenty-five percent (25%) of the
 19 remaining tax revenue remitted by each licensed owner shall be
 20 paid:

21 (A) to the city that is designated as the home dock of the
 22 riverboat from which the tax revenue was collected, in the case
 23 of:

24 (i) a city described in IC 4-33-12-6(b)(1)(A); or

25 (ii) a city located in a county having a population of more
 26 than four hundred thousand (400,000) but less than seven
 27 hundred thousand (700,000); **or**

28 ~~(B) in equal shares to the counties described in IC 4-33-1-1(3);~~
 29 ~~in the case of a riverboat whose home dock is on Patoka Lake;~~
 30 **or**

31 ~~(C)~~ **(B)** to the county that is designated as the home dock of
 32 the riverboat from which the tax revenue was collected, in the
 33 case of a riverboat whose home dock is not in a city described
 34 in clause (A). **or a county described in clause (B):**

35 (3) Subject to subsection ~~(c)~~; **(d)**, the remainder of the tax revenue
 36 remitted by each licensed owner shall be paid to the property tax
 37 replacement fund.

38 **(b) This subsection applies only to tax revenue remitted by a**
 39 **licensed owner operating a riverboat in a historic district described**
 40 **in IC 4-33-1-1(3). After funds are appropriated under section 4 of**
 41 **this chapter, each month the treasurer of state shall distribute the**
 42 **tax revenue deposited in the state gaming fund under this chapter**

C
o
p
y



as follows:

- (1) Twenty-five percent (25%) shall be paid to the property tax replacement fund.
- (2) Twenty-four percent (24%) shall be paid to the historic district in which the riverboat is located.
- (3) Nine percent (9%) shall be paid to the county in which the riverboat is located.
- (4) Eight percent (8%) shall be paid in equal amounts to:
 - (A) a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000); and
 - (B) a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).
- (5) Seven percent (7%) shall be paid in equal amounts to the school corporations located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).
- (6) Six percent (6%) shall be paid to a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).
- (7) Six percent (6%) shall be paid to a town having a population of less than one thousand five hundred (1,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).
- (8) Four percent (4%) shall be paid to a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000).
- (9) Four percent (4%) shall be paid to a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000).
- (10) Three percent (3%) shall be paid to the tourism commission of a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200) located in a county having a population of

C
o
p
y



more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(11) Three percent (3%) shall be paid to the tourism commission of a town having a population of less than one thousand five hundred (1,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(12) One percent (1%) shall be paid to the county described in subdivision (3) to be distributed as provided in subsection (h).

(c) For each city and county receiving money under subsection (a)(2)(A) or (a)(2)(C), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

~~(c)~~ (d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under ~~subsection~~ subsections (a)(3) and (b)(1) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

~~(d)~~ (e) Before August 15 of 2003 and each year thereafter, the

C
o
p
y



1 treasurer of state shall distribute the wagering taxes set aside for
 2 revenue sharing under subsection (a)(1) to the county treasurer of each
 3 county that does not have a riverboat according to the ratio that the
 4 county's population bears to the total population of the counties that do
 5 not have a riverboat. The county treasurer shall distribute the money
 6 received by the county under this subsection as follows:

7 (1) To each city located in the county according to the ratio the
 8 city's population bears to the total population of the county.

9 (2) To each town located in the county according to the ratio the
 10 town's population bears to the total population of the county.

11 (3) After the distributions required in subdivisions (1) and (2) are
 12 made, the remainder shall be retained by the county.

13 ~~(e)~~ **(f)** Money received by a city, town, or county under subsection
 14 ~~(d)~~ **(e)** may be used only:

15 (1) to reduce the property tax levy of the city, town, or county for
 16 a particular year (a property tax reduction under this subdivision
 17 does not reduce the maximum levy of the city, town, or county
 18 under IC 6-1.1-18.5);

19 (2) for deposit in a special fund or allocation fund created under
 20 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
 21 IC 36-7-30 to provide funding for additional credits for property
 22 tax replacement in property tax increment allocation areas;

23 (3) to fund sewer and water projects, including storm water
 24 management projects; or

25 (4) for police and fire pensions.

26 However, not more than twenty percent (20%) of the money received
 27 under subsection ~~(d)~~ **(e)** may be used for the purpose described in
 28 subdivision (4).

29 ~~(f)~~ **(g)** **This subsection does not apply to an entity receiving**
 30 **money under IC 4-33-12-6(c).** Before September 15 of 2003 and each
 31 year thereafter, the treasurer of state shall determine the total amount
 32 of money distributed to an entity under IC 4-33-12-6 during the
 33 preceding state fiscal year. If the treasurer of state determines that the
 34 total amount of money distributed to an entity under IC 4-33-12-6
 35 during the preceding state fiscal year was less than the entity's base
 36 year revenue (as determined under IC 4-33-12-6), the treasurer of state
 37 shall make a supplemental distribution to the entity from taxes
 38 collected under this chapter and deposited into the property tax
 39 replacement fund. The amount of the supplemental distribution is equal
 40 to the difference between the entity's base year revenue (as determined
 41 under IC 4-33-12-6) and the total amount of money distributed to the
 42 entity during the preceding state fiscal year under IC 4-33-12-6.



(h) The county treasurer of the county described in subsection (b)(3) shall set aside the wagering tax revenue paid to the county under subsection (b)(12) in a separate account. Money in the account must be used to provide grants to governmental entities other than the counties and the towns described in subsection (b). The fiscal bodies of the counties and the towns shall act in concert to select qualified recipients of grants from the account. The fiscal bodies of the counties may not appropriate money from the account to make a grant under this subsection unless the fiscal bodies of the towns have adopted resolutions approving the recipient and the amount of the grant.

SECTION 24. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5 **or IC 6-1.1-19**; and

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

SECTION 25. IC 4-33-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 16. Gambling Operations in a Historic District

Sec. 1. This chapter applies only to a historic district described in IC 4-33-1-1(3) and established under IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "district" refers to the historic district established under IC 36-7-11-4.5.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission established under IC 36-7-11-4.5.

Sec. 4. As used in this chapter, "operating expenses" means the following:

(1) Money spent by the historic preservation commission in the exercise of the historic preservation commission's powers under this article, IC 36-7-11-23, and IC 36-7-11-24 as limited



C
o
p
y

by section 5 of this chapter.

(2) Management fees paid to the riverboat's licensed operating agent.

Sec. 5. A riverboat authorized under this article for a historic district described in IC 4-33-1-1(3) must be located on real property located in the district between the two (2) historic resort hotels.

Sec. 6. The commission shall grant an owner's license to the historic preservation commission upon the fulfillment of the following requirements:

(1) Riverboat gaming is approved in a public question under IC 4-33-6-19.5.

(2) The commission completes the investigations required under IC 4-33-6.

Sec. 7. The historic preservation commission shall contract with another person to operate a riverboat located in the district. The person must be a licensed operating agent under IC 4-33-6.5.

Sec. 8. The net income derived from the riverboat after the payment of all operating expenses shall be deposited in the community trust fund established by IC 36-7-11.4-4.

Sec. 9. The licensed owner of a riverboat located in the historic district shall implement flexible scheduling.

SECTION 26. IC 36-7-11-4.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.3. (a) An ordinance that establishes a historic preservation commission under section 4 or 4.5 of this chapter may authorize the staff of the commission, on behalf of the commission, to grant or deny an application for a certificate of appropriateness.

(b) An ordinance adopted under this section must specify the types of applications that the staff of the commission is authorized to grant or deny. The staff may not be authorized to grant or deny an application for a certificate of appropriateness for the following:

(1) The demolition of a building.

(2) The moving of a building.

(3) The construction of an addition to a building.

(4) The construction of a new building.

SECTION 27. IC 36-7-11-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 4.5. (a) This section applies to the following towns located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000):**



(1) A town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200).

(2) A town having a population of less than one thousand five hundred (1,500).

(b) The towns described in subsection (a) may enter into an interlocal agreement under IC 36-1-7 to establish a joint historic district under this chapter. An ordinance entering into the interlocal agreement must provide for the following membership of a joint historic preservation commission to administer the joint historic district:

(1) An individual appointed by the legislative body of the county described in subsection (a).

(2) An individual appointed by the convention and visitor's bureau of the county described in subsection (a).

(3) An individual appointed by the town council of a town described in subsection (a)(1).

(4) An individual appointed by the town council of a town described in subsection (a)(2).

(5) An individual appointed by the Historic Landmarks Foundation of Indiana.

(6) The owner of a historic resort hotel located in a town described in subsection (a)(1) or the owner's designee.

(7) The owner of a historic resort hotel located in a town described in subsection (a)(2) or the owner's designee.

(c) The members described in subsection (b)(1) through (b)(5) shall each serve for a term of three (3) years. However, the terms of the original voting members may be for one (1) year, two (2) years, or three (3) years in order for the terms to be staggered, as provided by the ordinance. A vacancy shall be filled for the duration of the term by the original appointing authority.

(d) The ordinance may provide qualifications for members of the commission described in subsection (b)(1) and (b)(4). In addition, the members appointed under subsection (b)(1) through (b)(4) must be residents of the county described in subsection (a) that are interested in the preservation and development of historic areas. The members of the commission should include professionals in the tourism industry and professionals in the disciplines of architectural history, planning, and other disciplines related to historic preservation, to the extent that those professionals are available in the community. The ordinance may also provide for the appointment of advisory members that the

C
o
p
y



legislative body considers appropriate.

(e) Each member of the commission must, before beginning the discharge of the duties of the member's office, do the following:

(1) Take an oath that the member will faithfully execute the duties of the member's office according to Indiana law and rules adopted under Indiana law.

(2) Provide a bond to the state that:

(A) is approved by the Indiana gaming commission;

(B) is for twenty-five thousand dollars (\$25,000); and

(C) is, after being executed and approved, recorded in the office of the secretary of state.

(f) The ordinance may:

(1) designate an officer or employee of a town described in subsection (a) to act as administrator;

(2) permit the commission to appoint an administrator who shall serve without compensation except reasonable expenses incurred in the performance of the administrator's duties; or

(3) provide that the commission act without the services of an administrator.

(g) Each member of the commission shall be paid a monthly salary of five hundred dollars (\$500).

(h) The commission shall elect from its membership a chairperson and vice chairperson, who shall serve for one (1) year and may be reelected.

(i) The commission shall adopt rules consistent with this chapter for the transaction of its business. The rules must include the time and place of regular meetings and a procedure for the calling of special meetings. All meetings of the commission must be open to the public, and a public record of the commission's resolutions, proceedings, and actions must be kept. If the commission has an administrator, the administrator shall act as the commission's secretary. If the commission does not have an administrator, the commission shall elect a secretary from its membership.

(j) The commission shall hold regular meetings, at least monthly, except when it has no business pending.

(k) A decision of the commission is subject to judicial review under IC 4-21.5-5 as if it were a decision of a state agency.

(l) Money acquired by the historic preservation commission:

(1) is subject to the laws concerning the deposit and safekeeping of public money; and

(2) must be deposited under the advisory supervision of the state board of finance in the same way and manner, at the

C
o
p
y



1 same rate of interest, and under the same restrictions as other
2 state money.

3 **(m) The money of the historic preservation commission and the**
4 **accounts of each officer, employee, or other person entrusted by**
5 **law with the raising, disposition, or expenditure of the money or**
6 **part of the money are subject to the following:**

7 **(1) Examination by the state board of accounts.**

8 **(2) The same penalties and the same provision for publicity**
9 **that are provided by law for state money and state officers.**

10 SECTION 28. IC 36-7-11-4.6 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.6. An ordinance that
12 establishes a historic preservation commission under section 4 **or 4.5**
13 of this chapter may:

14 (1) authorize the commission to:

15 (A) acquire by purchase, gift, grant, bequest, devise, or lease
16 any real or personal property, including easements, that is
17 appropriate for carrying out the purposes of the commission;

18 (B) hold title to real and personal property; and

19 (C) sell, lease, rent, or otherwise dispose of real and personal
20 property at a public or private sale on the terms and conditions
21 that the commission considers best; and

22 (2) establish procedures that the commission must follow in
23 acquiring and disposing of property.

24 SECTION 29. IC 36-7-11-23 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2003]: Sec. 23. **(a) This section applies to a**
27 **historic preservation commission established under section 4.5 of**
28 **this chapter.**

29 **(b) The commission shall do the following:**

30 **(1) Designate a fiscal agent who must be the fiscal officer of**
31 **one (1) of the towns described in section 4.5(a) of this chapter.**

32 **(2) Employ professional staff to assist the commission in**
33 **carrying out its duties under this section.**

34 **(3) Engage consultants, attorneys, accountants, and other**
35 **professionals necessary to carry out the commission's duties**
36 **under this section.**

37 **(4) Own the riverboat license described in IC 4-33-6-1(a)(6).**

38 **(5) Develop requests for proposals for persons interested in**
39 **operating and managing the riverboat authorized under**
40 **IC 4-33 on behalf of the commission as the riverboat's**
41 **licensed operating agent.**

42 **(6) Recommend a person to the Indiana gaming commission**

C
o
p
y



that the historic preservation commission believes will:

- (A) promote the most economic development in the area surrounding the historic district;
- (B) best meet the criteria set forth in IC 4-33-6-4; and
- (C) best serve the interests of the citizens of Indiana.

However, the Indiana gaming commission is not bound by the recommendation of the historic preservation commission.

SECTION 30. IC 36-7-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 24. (a) This section applies to a historic preservation commission established under section 4.5 of this chapter.**

(b) The commission may do the following:

- (1) Enter contracts to carry out the commission's duties under section 23 of this chapter, including contracts for the construction, maintenance, operation, and management of a riverboat to be operated in the historic district under IC 4-33.**
- (2) Provide recommendations to the Indiana gaming commission concerning the operation and management of a riverboat to be operated in the historic district under IC 4-33.**

(c) This section may not be construed to limit the powers of the Indiana gaming commission with respect to the administration and regulation of riverboat gaming under IC 4-33.

SECTION 31. IC 36-7-11.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 11.4. Community Trust Fund

Sec. 1. This section applies to a historic district established under IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "fund" refers to the community trust fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission described in IC 36-7-11-4.5.

Sec. 4. (a) The community trust fund is established.

(b) The fund consists of the following:

- (1) Money disbursed from the historic preservation commission.**
- (2) Donations.**
- (3) Interest and dividends on assets of the fund.**
- (4) Money transferred to the fund from other funds.**
- (5) Money from any other source.**

C
o
p
y



1 **Sec. 5. (a) The historic preservation commission shall manage**
 2 **and develop the fund and the assets of the fund.**

3 **(b) The historic preservation commission shall do the following:**

4 **(1) Establish a policy for the investment of the fund's assets.**

5 **(2) Perform other tasks consistent with prudent management**
 6 **and development of the fund.**

7 **Sec. 6. (a) Subject to the investment policy of the historic**
 8 **preservation commission, the fiscal agent appointed by the historic**
 9 **preservation commission shall administer the fund and invest the**
 10 **money in the fund.**

11 **(b) The expenses of administering the fund and implementing**
 12 **this chapter shall be paid from the fund.**

13 **(c) Money in the fund that is not currently needed to meet the**
 14 **obligations of the fund may be invested in the same manner as**
 15 **other public funds are invested. Interest that accrues from these**
 16 **investments shall be deposited in the fund.**

17 **(d) Money in the fund at the end of a state fiscal year does not**
 18 **revert to the state general fund.**

19 **Sec. 7. (a) The historic preservation commission has the sole**
 20 **authority to allocate money from the fund for the following**
 21 **purposes:**

22 **(1) The preservation, restoration, maintenance, operation,**
 23 **and development of the historic resort hotel located in a town**
 24 **having a population of more than one thousand five hundred**
 25 **(1,500) but less than two thousand two hundred (2,200)**
 26 **located in a county having a population of more than nineteen**
 27 **thousand three hundred (19,300) but less than twenty**
 28 **thousand (20,000).**

29 **(2) The preservation, restoration, maintenance, operation,**
 30 **and development of the historic resort hotel located in a town**
 31 **having a population of less than one thousand five hundred**
 32 **(1,500) located in a county having a population of more than**
 33 **nineteen thousand three hundred (19,300) but less than twenty**
 34 **thousand (20,000).**

35 **(3) Infrastructure projects in the surrounding community.**

36 **(4) Historic preservation or restoration projects in the**
 37 **community.**

38 **(5) Other projects designed to enhance the historic character**
 39 **of the community.**

40 **(b) The historic preservation commission shall allocate money**
 41 **to the historic resort hotels described in subsection (a) in equal**
 42 **amounts. The historic preservation commission may not allocate**

C
O
P
Y



1 more than ninety percent (90%) of the money allocated under
2 subsection (a) to the historic resort hotels.

3 Sec. 8. The historic preservation commission shall prepare an
4 annual report concerning the fund and submit the report to the
5 legislative council before October 1 of each year. The report is a
6 public record.

C
o
p
y

